Clearances: L/PM – Schildge ok NSC – Nilsson ok T – Tucker ok PM/CPA – Greer ok

PM/DDTC – RSKovac H – Cooper ok PM/DTCL– Maloney

Dear Madam Speaker:

Pursuant to Section 36(c) and 36(d) of the Arms Export Control Act, I am transmitting, herewith, certification of a proposed manufacturing license agreement for the manufacture of significant military equipment abroad and the export of defense articles and defense services in the amount of \$100,000,000 or more.

The transaction contained in the attached certification involves the export of defense articles, including technical data, and defense services to Japan for the manufacture of T64 engine parts for end use by the Japanese Ministry of Defense.

The United States Government is prepared to license the export of these items having taken into account political, military, economic, human rights and arms control considerations.

More detailed information is contained in the formal certification which, though unclassified, contains business information submitted to the Department of State by the applicant, publication of which could cause competitive harm to the United States firm concerned.

Sincerely,

Richard R. Verma Assistant Secretary Legislative Affairs

Enclosure:

Transmittal No. DDTC 060-09

The Honorable

Nancy Pelosi,

Speaker of the House of Representatives.

DEPARTMENT OF STATE TRANSMITTAL NO. DDTC 060-09 CERTIFICATION OF PROPOSED ISSUANCE OF AN EXPORT LICENSE PURSUANT TO SECTION 36(c) AND 36(d) OF THE ARMS EXPORT CONTROL ACT

- (1) <u>Foreign Country or International Organization to Which Export Will Be Made:</u> Japan
- (2) <u>Dollar Value of the Proposed Export</u>:

(a) Current Notification Value: \$392,888,494

(b) Total Value: Initial Notification

(3) <u>Description of the Transaction:</u>

(a) Current license application: General Electric Company proposes to amend an ongoing Manufacturing License Agreement with the Japanese Ministry of Defense, IHI Corporation, Mitsui Bussan Aerospace Company Ltd., GE International, Inc., and GE Engine Services Distribution of Japan to transfer technical data and defense services for the manufacture of T64 engine parts (identified as significant military equipment) for end use by the Japanese Ministry of Defense. Specifically, these parts would be used for the repair and overhaul of T64-IHI-10J and T64-GE-419 engines for use in military aircraft in Japan. This amendment extends the duration of this manufacturing activity, which originated in 1965, through 2019.

The original agreement was valued at \$24,668,000 and only identified technical data and defense services. The current notification includes \$292,026,000 of hardware previously manufactured abroad. This agreement was not previously notified pursuant to Section 36(c) because manufacturing agreements at that time were not valued based upon the end items being manufactured as is now the current practice. In addition, the current notification adds \$76,194,494 of value for new effort proposed by the applicant.

(b) Total Scope: Identified Above

(4) Offset Arrangement: None

(5) Authorized Sales Territory: Japan

(6) <u>Date Certification Delivered to Congress</u>:

NOTE: This report, although unclassified, is derived from information submitted to the Department of State by the applicant which is subject to the confidentiality requirements of section 38(e) of the Arms Export Control Act. Disclosure of an applicant's prices and customers could result in competitive injury.

Dear Madam Speaker:

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Sincerely,

Richard R. Verma Assistant Secretary Legislative Affairs

Enclosure:

Transmittal No. DDTC 060-09

The Honorable

Nancy Pelosi,

Speaker of the House of Representatives.

Dear Mr. Chairman:

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Sincerely,

Richard R. Verma Assistant Secretary Legislative Affairs

Enclosure:

Transmittal No. DDTC 060-09

The Honorable

John F. Kerry, Chairman, Committee on Foreign Relations, United States Senate.

Dear Senator Lugar:

Pursuant to Section 36(c) and 36(d) of the Arms Export Control Act, I am transmitting, herewith, certification of a proposed manufacturing license agreement for the manufacture of significant military equipment abroad and the export of defense articles and defense services in the amount of \$100,000,000 or more.

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Sincerely,

Richard R. Verma Assistant Secretary Legislative Affairs

Enclosure:

Transmittal No. DDTC 060-09

The Honorable
Richard G. Lugar,
Committee on Foreign Relations,
United States Senate.

Dear Ms. Ros-Lehtinen:

Pursuant to Section 36(c) and 36(d) of the Arms Export Control Act, I am transmitting, herewith, certification of a proposed manufacturing license agreement for the manufacture of significant military equipment abroad and the export of defense articles and defense services in the amount of \$100,000,000 or more.

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Sincerely,

Richard R. Verma Assistant Secretary Legislative Affairs

Enclosure:

Transmittal No. DDTC 060-09

The Honorable
Ileana Ros-Lehtinen,
Committee on Foreign Affairs,
House of Representatives.

Dear Mr. Chairman:

Pursuant to Section 36(c) and 36(d) of the Arms Export Control Act, I am transmitting, herewith, certification of a proposed manufacturing license agreement for the manufacture of significant military equipment abroad and the export of defense articles and defense services in the amount of \$100,000,000 or more.

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Sincerely,

Richard R. Verma Assistant Secretary Legislative Affairs

Enclosure:

Transmittal No. DDTC 060-09

The Honorable

Howard L. Berman, Chairman, Committee on Foreign Affairs, House of Representatives.

Dear Mr. President:

Pursuant to Section 36(c) and 36(d) of the Arms Export Control Act, I am transmitting, herewith, certification of a proposed manufacturing license agreement for the manufacture of significant military equipment abroad and the export of defense articles and defense services in the amount of \$100,000,000 or more.

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More detailed information is contained in the formal certification which, though unclassified, contains business information submitted to the Department of State by the applicant, publication of which could cause competitive harm to the United States firm concerned.

Sincerely,

Richard R. Verma Assistant Secretary Legislative Affairs

Enclosure:

Transmittal No. DDTC 060-09

The Honorable

Joseph R. Biden, Jr.,

President of the Senate.